

MINNESOTA • REVENUE

Aggregate Materials Tax Definition of Borrow

April 22, 2003

Department of Revenue
Analysis of H.F. 1528 (Ozment)

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective July 1, 2003.

EXPLANATION OF THE BILL

Current Law: Aggregate material production tax is a local tax imposed for removal of aggregates from gravel pits or deposits. The term “aggregate material” is defined to include sand, silica sand, gravel, crushed rock, limestone, granite, and borrow.

Proposed Law: A definition is provided for the aggregate term “borrow” to mean granular borrow consisting of durable particles of gravel and sand, crushed quarry or mine rock, crushed gravel or stone, or any combination thereof.

REVENUE ANALYSIS DETAIL

- The new definition of “borrow” is a technical change to a local revenue source, with no impact on the state general fund.

Number of Taxpayers Affected: Taxpayers paying the aggregate tax would be affected.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>

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